

1987 ANNUAL INDEX

VOLUME 40

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Amortization of Insurance Expirations, Russell Miller, Inc., reviewed by Joe H. Murrey, Jr., Ph.D., CPCU, CLU, ChFC, March 1987, p. 8.

Banks, Thrifts & Insurance Companies—Surviving the 1980s, Alan Gart, Ph.D., reviewed by R. L. Thistlethwaite, Ph.D., March 1987, p. 7.

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The Financial Services Shock-Wave, John M. Wats, reviewed by Mark R. Greene, Ph.D., September 1987, p. 136.

The Future of Risk Management, Wlodec Zajdlc, reviewed by Angela McLain, March 1987, p. 6.

How to Prepare for an Earthquake, John P. McCann, reviewed by Joe H. Murrey Jr., Ph.D., CPCU, CLU, ChFC, March 1987, p. 9.

Insurance in the Soviet Union, Paul R. Rogers, reviewed by Don R. Stelzer, CPCU, September 1987, p. 136.

International Insurance Industry Guide (Third Edition), Coopers & Lybrand, reviewed by Joe H. Murrey Jr., Ph.D., CPCU, CLU, ChFC, June 1987, p. 71.

Practical Self-Insurance, John Boyce-Smith, reviewed by Dr. Kenneth W. Hollman, CLU, ChFC, June 1987, p. 68.

Regulation of Financial Planners, Richard O. Jacobs, Esq., CLU, and Betty K. Steel, Esq., reviewed by William S. Phillips, CPCU, CLU, December 1987, p. 198.

Rehabilitation of Workers' Compensation and Other Insurance Claimants, John D. Rasch, reviewed by Angela McLain, June 1987, p. 68.

Summary of State Laws and Regulations Relating to Automobile Insurance, American Insurance Association, reviewed by Joe H. Murrey Jr., Ph.D., CPCU, CLU, ChFC, March 1987, p. 9.

Tax Planning in Divorce Settlements, Robert W. McGee, reviewed by Ernest W. King, J.D., L.L.M., September 1987, p. 139.

Title Insurance in 1984, James M. Pedowitz, Practising Law Institute, reviewed by Joe H. Murrey Jr., Ph.D., CPCU, CLU, ChFC, June 1987, p. 71.

Understanding Texas Insurance, Douglas Caddy, reviewed by Dr. Kenneth W. Hollman, CLU, December 1987, p. 197.

Up the Ladder: Coping with the Corporate Climb, Thomas Friedman, reviewed by Numan A. Williams, Ph.D., CPCU, CLU, June 1987, p. 70.

When Someone You Love Is Dying, Norma S. Upson, reviewed by Robert L. Thistlethwaite, Ph.D., September 1987, p. 138.

Workers' Compensation Benefits: Adequacy, Equity and Efficiency, John D. Worral and David Appel, reviewed by William S. Phillips, CPCU, CLU, March 1987, p. 7.

INDEX BY SUBJECT

■ Agency

An Agent's Liability for Insurer Insolvency, Diane E. Burkley, J.D., September 1987, p. 140. What is an agent to do? If the insurer is licensed properly and has an acceptable rating in *Best's* but then goes bankrupt, does the agent have continuing obligations to the policyholder? This carefully researched paper outlines current law and, additionally, provides practical tips to agents.

ESOPs: A 1986 TRA Winner, E. J. Leverett Jr., D.B.A., CPCU, CLU, and James S. Trieschmann, D.B.A., CPCU, CLU, September 1987, p. 17. This short

paper is a follow-up on the employee stock ownership article which appeared in the *CPCU Journal* in September, 1986. This updates the tax implications of ESOPs under the 1986 Tax Reform Act.

Reasonable Compensation for Agency Principals, E. J. Leverett Jr., DBA, CPCU, CLU, James S. Trieschmann, DBA, CPCU, CLU, and Sandra G. Gustavson, Ph.D., June 1987, p. 102. When the IRS declares compensation to an agency principal to be unreasonably high, the agency is unable to deduct that "extra" compensation as a legitimate business expense. Thus, the income is taxed doubly—once to the agency and once to the individual receiving it. This article provides guidelines as to what "reasonable" compensation is.

■ Claims

Are We Responsible for Everything? Numan A. Williams, Ph.D., CPCU, CLU, Editorial, September 1987, p. 131.

The Best Offense Is a Good Defense, Lewis P. Palca, CPCU, Opinion, June 1987, p. 75. Some strong words about the high value of professional claims people are expressed by one who has had a chance to see claims-handling throughout the world.

Current Status of the Collateral Sources Doctrine, Joe H. Murrey, Ph.D., CPCU, CLU, ChFC, Dennis S. Tosh, Ph.D., and Kenneth W. Hollman, Ph.D., March 1987, p. 10. The collateral sources doctrine "provides that any compensation or benefits received by an injured plaintiff from a source independent of the wrongdoer will not reduce or mitigate the damages otherwise recoverable." Whether or not this rule should continue as a basic concept of tort law has been the subject of much discussion. This paper details the current status of the doctrine.

Insurance and Torts in the Private Economy, Edward A. Dauer, L.L.B., June 1987, p. 109. This paper is the text of an address given by Dean Dauer to the Colorado CPCU All-Industry Day in November, 1986. In it, he outlines

the relationship between economics and tort law and concludes that the property-liability industry occupies a crucial role in the operation of the private enterprise economic system.

Insurer's Duty to Defend in Hazardous Waste Litigation, Ann Caslan, J.D., September 1987, p. 174. Four hazardous waste cases are considered with careful discussion of the courts' mandates that they be defended by the insurer, even when the policies appear to exclude coverage.

Medical Technology Losses, Kevin M. Quinley, CPCU, June 1987, p. 121. Medical technology is an explosive growth industry, promoting longer life-expectancy and enhancing the quality of medical care. Accompanying this growth, however, is the potential for severe product liability losses. This article examines ways that medical device companies and insurance professionals can work together to manage these unique losses.

Risk Retention Groups: The Law Has Changed, David Daar, March 1987, p. 54. The Risk Retention Amendments of 1986 have brought significant changes to the Risk Retention Act of 1981. This short paper discusses those changes, especially discussing the fact that risk retention groups are now almost completely free of state regulation.

Solvency Issues in Discounting Loss Reserves, Orange Empire CPCU Chapter, March 1987, p. 46. This study concerns the impact, on Annual Statements and on Best's company ratings, of the practice of discounting loss reserves. The study was the 1986 first place winner in the chapter research competition.

Tort Reform and Structured Settlements, Haig G. Neville, CPCU, CLU, December 1987, p. 246. As part of their tort reform legislation, several states have mandated "structured settlements" in large personal injury cases. This short paper describes the structured settlement process and lists advantages and disadvantages for both plaintiff and defendant.

■ Coverage

Homeowners' Coverage in Lagos, Olubunmi Okediji, M.B.A., March 1987, p. 30. This article aims to determine the incidence of property insurance policies among some homeowners in Lagos and some of the factors affecting the demand for these policies, and to relate these factors to the way in which effective and efficient marketing

strategies can be implemented by the insurance companies issuing them.

■ Financial

Creation and Control of the Insurance Cycle, Victor D. Lincoln, CPCU, June 1987, p. 86. This extremely readable article traces the history and causes of the insurance cycle. It is taken from an address given by the author at the CPCU/FIIC Seminars in March.

A Financial Model for Pricing Insurance, Jorge L. Urrutia, Ph.D., September 1987, p. 153. This short paper uses the Arbitrage Pricing Theory to consider pricing theory and some empirical tests as regards property-liability insurance. Careful attention has been given by the author to make the paper as non-mathematical as is possible.

Flexible Budgeting as a Marketing Tool, Sidney J. Baxendale, D.B.A., CPA, CMA and Deanna Mader, Ph.D., September 1987, p. 182. The pressures of increased price competition are countered frequently by an emphasis on the quality of policy service and an attempt to cut operating costs. Cost cutting often negatively impacts the policy service efforts of the company; hiring freezes intended to cut costs tend to cause the claims-processing backlog to grow.

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■ Insurance Education

Edwin S. Overman, Ph.D., CPCU, Numan A. Williams, Ph.D., CPCU, CLU, Editorial, June 1987, p. 67.

Guiding Rules for Professionals, Edwin S. Overman, Ph.D., CPCU, June 1987, p. 78. This is the text of Dr. Overman's 1986 Conferment Address, delivered at the Annual Meeting of the Society of CPCU in Atlanta. In it, he discusses the professional responsibilities of being a CPCU.

Insurance and Torts in the Private Economy, Edward A. Dauer, L.L.B., June 1987, p. 109. This paper is the text of an address given by Dean Dauer to the Colorado CPCU All-Industry Day in November, 1986. In it, he outlines the relationship between economics

and tort law and concludes that the property-liability industry occupies a crucial role in the operation of the private enterprise economic system.

James W. Hamilton, CPCU, CLU, Numan A. Williams, Ph.D., CPCU, CLU, Editorial, December 1987, p. 195.

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■ Judicial

Insurance and Torts in the Private Economy, Edward A. Dauer, L.L.B., June 1987, p. 109. This paper is the text of an address given by Dean Dauer to the Colorado CPCU All-Industry Day in November, 1986. In it, he outlines the relationship between economics and tort law and concludes that the property-liability industry occupies a crucial role in the operation of the private enterprise economic system.

Pollution, Clean-Up Costs and Insurance Exposure, Victor B. Levit, J.D., June 1987, p. 99. This is the text of a talk given at Lloyd's, London, designed to inform personnel there on the pollution liability and clean-up situations in the United States. This is the fifth such talk given at Lloyd's by the author; most have appeared in previous issues of the *CPCU Journal*.

■ Liability

Current Status of the Collateral Sources Doctrine, Joe H. Murrey, Ph.D., CPCU, CLU, ChFC, Dennis S. Tosh, Ph.D., and Kenneth W. Hollman, Ph.D., March 1987, p. 10. The collateral sources doctrine "provides that any compensation or benefits received by an injured plaintiff from a source independent of the wrongdoer will not reduce or mitigate the damages otherwise recoverable." Whether or not this rule should continue as a basic concept of tort law has been the subject of much discussion. This paper details the current status of the doctrine.

Divine Immunity: Should Clergy Be Subject to a Standard of Care? Arthur Gross Schaefer, J.D., CPA, December 1987, p. 217. As more and more clergy do more counseling, questions about their professional liability, their First Amendment rights and the confidentiality of such counseling arise. This paper by a rabbi/attorney is a careful discussion of the problems in this new field.

The Environmental Liability

Dilemma, Peter Huber, J.D., Ph.D., December 1987, p. 206. This paper, presented to the Insurance Information Institute on June 9, 1987, provides a thorough discussion of the insurance, legal and environmental questions we face, presented by one with excellent credentials, both in the sciences and in law.

Insurer's Duty to Defend in

Hazardous Waste Litigation, Ann Caslan, J.D., September 1987, p. 174. Four hazardous waste cases are considered with careful discussion of the courts' mandates that they be defended by the insurer, even when the policies appear to exclude coverage.

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■ Management

Beyond Consumer Basics, Roland C. Baker, View from the Top, March 1987, p. 4.

Captives: Insurance Industry Cycles

and the Future, M. Moshe Porat, Ph.D., *CPCU*, March 1987, p. 39. The insurance marketplace has changed significantly in the past two or three years and the formation of captives, especially in Bermuda, has changed accordingly. This article examines the current captive situation and relates it to the recent insurance cycle.

Creation and Control of the Insurance

Cycle, Victor D. Lincoln, *CPCU*, June 1987, p. 86. This extremely readable article traces the history and causes of the insurance cycle. It is taken from an address given by the author at the *CPCU/FIIC Seminars* in March.

Flexible Budgeting as a Marketing

Tool, Sidney J. Baxendale, D.B.A., CPA, CMA and Deanna Mader, Ph.D., September 1987, p. 182. The pressures of increased price competition are countered frequently by an emphasis on the quality of policy service and an attempt to cut operating costs. Cost cutting often negatively impacts the policy service efforts of the company; hiring freezes intended to cut costs tend to cause the claims-processing backlog to grow.

Solvency Issues in Discounting Loss

Reserves, Orange Empire *CPCU Chapter*, March 1987, p. 46. This study concerns the impact, on Annual Statements and on Best's company ratings, of the practice of discounting loss reserves. The study was the 1986 first place winner in the chapter research competition.

Strategic Planning: Maxims, Myths

and Misdirections, Douglas M. Morrill Jr., *CPCU*, June 1987, p. 94. The unanticipated magnitude and duration of the last soft property/casualty cycle has raised serious questions as to the industry's ability to plan strategically. As a result, academicians and consultants are marketing a myriad of new, improved planning methodologies that promise a less volatile path to the future. This paper suggests that the industry need not be in such dire straits. By adhering to a few basic maxims, casting off several long-standing myths and avoiding certain pitfalls during strategy formulation and implementation, insurers will enhance their planning efforts greatly.

■ Marketing

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Insurance Customer Expectations:

High and Rising, Nancy M. Johnson, Richard J. Goniou, Robert F. Tedeschi and William R. Bernhagen, Ph.D., June 1987, p. 115. This paper summarizes the work of two studies conducted at American Family Insurance. The findings indicate that policyholders have ever-increasing expectations regarding the claims service given them. The areas of customer concern are prompt contact and settlement, professionalism, equal treatment and individual, personal attention.

Risk Management in a Hard Market,

Bruce McEwan, D.B.A., *CPCU*, December 1987, p. 233. With the condition of the commercial insurance market as it exists today, the prudent insurance buyer must seek creative ways to induce the insurance underwriters to

provide the needed protection. This paper suggests one means that a buyer might use to convince an underwriter that the risk exposure is worth insuring.

■ Property Insurance

History of the Property Insurance

Policy, Eugene L. Lecomte, December 1987, p. 226. The property policy—what many of us call simply “the fire policy”—has a long history of development in the United States. This article traces that history from its English and colonial American origins to the “simplified” forms in use today.

Homeowners' Coverage in Lagos,

Olubunmi Okediji, M.B.A., March 1987, p. 30. This article aims to determine the incidence of property insurance policies among some homeowners in Lagos and some of the factors affecting the demand for these policies, and to relate these factors to the way in which effective and efficient marketing strategies can be implemented by the insurance companies issuing them.

The Rainbow Homeowners: Dropping

the Other Shoe, William M. Dye, *CPCU*, Opinion, June 1987, p. 72. Suggested changes in the Homeowners Policies are the subject of this paper. Color coding and revisions in word and sentence structure are presented in an attempt to make the policies more understandable to policyholders.

■ Regulation

Risk Retention Groups: The Law Has

Changed, David Daar, March 1987, p. 54. The Risk Retention Amendments of 1986 have brought significant changes to the Risk Retention Act of 1981. This short paper discusses those changes, especially the fact that risk retention groups are now almost completely free of state regulation.

Solvency Issues in Discounting Loss

Reserves, Orange Empire *CPCU Chapter*, March 1987, p. 46. This study concerns the impact, on Annual Statements and on Best's company ratings, of the practice of discounting loss reserves. The study was the 1986 first place winner in the chapter research competition.

Texas County Mutuals, San Antonio

CPCU Chapter, March 1987, p. 20. County mutuals in Texas are statewide non-assessment mutuals which offer a window of opportunity for open-competition rating in a state

which otherwise fixes all personal lines rates. There never will be more than 25 of them, but they have developed a major share of the high risk automobile market, and reduced pressure on the assigned risk plan.

■ Risk Retention

Risk Retention Act: Friend or Foe?

Ken L. Williams, *Opinion*, December 1987, p. 200. Not everyone agrees about the Risk Retention Act. This opposing point of view was written in response to an earlier article by David Daar.

Risk Retention Groups: The Law Has Changed,

David Daar, *March 1987*, p. 54. The Risk Retention Amendments of 1986 have brought significant changes to the Risk Retention Act of 1981. This short paper discusses those changes, especially discussing the fact that risk retention groups are now almost completely free of state regulation.

■ Workers' Compensation

Current Status of the Collateral

Sources Doctrine, Joe H. Murrey, Ph.D., CPCU, CLU, ChFC, Dennis S. Tosh, Ph.D., and Kenneth W. Hollman, Ph.D., *March 1987*, p. 10. The collateral sources doctrine "provides that any compensation or benefits received by an injured plaintiff from a source independent of the wrongdoer will not reduce or mitigate the damages otherwise recoverable." Whether or not this rule should continue as a basic concept of tort law has been the subject of much discussion. This paper details the current status of the doctrine.

The Illinois Structural Work Act, Jonathan Gice, *September 1987*, p. 186. A basic thought underlying workers' compensation legislation was that the workers' compensation laws would be exclusive remedy for injured employees who elected to collect workers' compensation benefits. Over the years, that concept has been eroded, however, by many different methods and means. The Illinois Structural Work Act is one such and this paper discusses that Act and its effect on workers' compensation in Illinois.

Premium Auditing: an Expert System for Workers' Compensation, Antony C. Cherin and Alexis Koster, *December 1987*, p. 238. Premium audits, extremely complicated and error-prone processes, are subject to review by state insurance rating

bureaus which confirm that job-risk classifications were assigned and payroll allocated in accordance with stipulated rules. This article introduces a time-saving expert system for premium auditing which significantly resolves complexity and reduces mistakes.

Workers' Compensation: Rhetoric

vs. Reality, Robert L. Webster Jr., CPCU, *September 1987*, p. 158. The California system of providing wage loss indemnity for injured workers has become expensive, slow and inadequate to its purposes, according to this paper. The assumptions of timely, equitable and adequate protection from the economic costs of on-the-job injuries are not being met. This is a review of the California Workers' Compensation system and its deviations from the hopes of its founders.

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